

Collections

BLM COLLECTIONS, 2001 - 2004 (\$000)

Collection Source	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Sale of Public Land and Materials	80,638	98,076	254,424	90,343
Miscellaneous Filing Fees	848	759	800	850
Mineral Leasing National Grasslands	1,856	1,145	1,855	1,855
Grazing Fees & Land Utilization Project Lands	13,197	12,788	13,232	13,232
Timber Sales & Vegetative Material	18,027	18,101	24,300	34,605
Recreational Use Fees	7,836	9,500	9,500	9,500
Mineral Leasing Naval Oil Shale Reserve	2,196	1,272	3,900	11,600
National Petroleum Reserve Alaska	1,688	2,302	69,200	8,100
Earnings on Investments	2,223	2,038	1,886	4,423
Other Collections, Service Charges & Fees	45,740	68,255	83,420	87,242
Total	174,249	214,236	462,517	261,750
<i>*Note: The table does not include the amounts from the General Fund required to make payments to western Oregon counties under P.L. 106-393, Secure Rural Schools Self Determination Act, beginning in 2002. However, the amounts reported for "Other Collections" include collections and estimated collections from hard rock mine maintenance and telecommunication site fees as well as collections by BLM that are deposited to a Department of Treasury miscellaneous receipts account.</i>				

2004 COLLECTIONS

In 2004, the BLM will collect an estimated total of \$261,750,000. Receipts are collected by BLM from sources such as the sale of land and materials, grazing fees, timber sales, recreation use fees, and various filing fees. These collections assist State and local governments, support the General Fund of the U.S. Treasury, and offset charges for program operations where certain fees collected can be retained by the BLM.

In addition, in 2004 BLM's onshore mineral leasing activities will contribute directly to the generation of about \$2.0 billion in receipts (bonuses, rents, and royalties). (These mineral leasing receipts are reflected in the Minerals Management Service budget.)

A total of \$93,811,000 appropriated from the General Fund in 2002 was paid to the western Oregon counties under *P.L. 106-393, Secure Rural Schools Self Determination Act*, which provides that payments come first from BLM receipts produced in those counties, with General Fund appropriations used to cover any shortfall. Because the supplement from the General Fund is not a collection from non-Federal sources, that amount is not included in the table above, which includes \$15.9 million collected from western Oregon counties.

Some receipt collections accounted for in BLM's budget are expected to remain fairly flat over the next several years, experiencing only modest increases annually. Others, such as timber sales, land sales and earnings on investments, are expected to increase substantially. The large increase in collections in 2003 compared to 2002 is due to (a) an increase of \$97,854,000 from the sale of land under the *Southern Nevada Public Land Management Act of 1998*, P.L. Law 105-263, and (b) from a mineral lease sale in the National Petroleum Reserve-Alaska projected to produce \$69,200,000 in rental fees and bonus bids. Timber harvest levels are expected to increase in 2003 and 2004, contingent on the resolution of existing litigation.

Sales of Public Land and Material - This category of receipts includes receipts from the sale of public land, including land sales in Clark County, Nevada, and the sale of vegetative and mineral materials. The *Southern Nevada Public Land Management Act* includes the authority for 15 percent of the proceeds from Nevada land sales to be distributed to the State of Nevada and Clark County, with the BLM retaining 85 percent of land sale receipts for acquisition and capital investments. The BLM is also authorized to use interest generated from the above-mentioned funds. Excluded from this receipt source are the sales of timber from the public domain land, sale of land and timber from the Oregon & California Grant Lands and Coos Bay Wagon Road Lands, sale of land and materials from Land Utilization project lands, sale of land and materials from reclaimed lands (reserved or withdrawn), and sale of town sites and reclamation projects. Included are collections from Nevada Land sales that are estimated for 2003 at \$212,374,000. The Federal Land Transaction Facilitation Act, Title II of P.L. 106-248, also allows a limited number of sales of Federal land, with 2003 and 2004 receipts projected to be \$26,000,000 and \$20,550,000 respectively. A sale in 2003 of a parcel near St. George, Utah is expected to produce \$20 million.

- Receipts are projected to decline from 2003 to 2004 because a sale in November 2002 that produced almost \$180 million in 2003 is not expected to be repeated in 2004.
- The Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act to: (1) allow BLM to use updated management plans to identify areas suitable for disposal, (2) allow a portion of the receipts to be used by BLM for restoration projects, and (3) cap receipt retention at \$100 million per year. BLM is currently limited to selling lands that had been identified for disposal in land use plans that

were in effect prior to enactment of FLTFA. Use of the receipts is currently limited to the purchase of other lands for conservation purposes.

Miscellaneous Filing Fees - Collections in this category are primarily from filing fees for applications to non-competitively lease oil and gas. Parcels offered but not leased in competitive sales are available for non-competitive leasing. Also included are fees received for filing or recording documents; charges for registration of individuals, firms, or products; and requests for approval of transfer of leases or permits.

Mineral Leasing-National Grasslands - These receipts include all rental collections from oil and gas pipeline rights-of-way associated with lands leased under the *Mineral Leasing Act* and the *Mineral Leasing Act for Acquired Lands*. The MMS assumed responsibility for collection and distribution of most mineral leasing receipts in 1985. The BLM continues to collect first-year rentals and initial bonuses from mineral leasing but deposits these receipts directly into MMS accounts.

Grazing Fees from Public Lands and Land Utilization Project Lands - This category includes all grazing fees collected from public lands and Land Utilization Project lands administered by the BLM. It also includes certain receipts from LUP lands, such as from mineral leasing. Grazing fees are collected under the authority of the *Taylor Grazing Act*, *Federal Land Policy and Management Act*, and the *Public Rangelands Improvement Act of 1978*.

- From 1978 through 1985, public land grazing fees were based on a formula established in PRIA. The statutory authority for this formula expired on December 31, 1985. On February 14, 1986, the President issued Executive Order 12548 directing the continued use of the PRIA formula to set grazing fees for the public lands.
- The grazing fee is updated annually based on index factors, including private land lease rates, beef cattle prices, and the cost of production. Based on the PRIA formula, the fee was \$1.35 per Animal Unit Month for the 2001 and \$1.43 for the 2002 grazing year. The fee for the 2003 grazing year will be \$1.35. Grazing fees generally are collected within 30 days of the billing date, which follows publication of the new fee.
- Grazing regulations authorize a surcharge to grazing fee bills for authorized grazing of livestock owned by persons other than the permittee or lessee, except where this use is made by livestock owned by children of permittees and lessees. This surcharge is equal to 35 percent of the difference between the 1999 grazing fee and the 1998 private land lease rate for the State where the pasturing agreement occurs. Anticipated grazing receipts reflect estimates of collections based on these fee rates.
- Fifty percent of all grazing receipts collected under the *Taylor Grazing Act*, along with 50 percent of all receipts (including mineral receipts) from LU Project Lands transferred to the BLM by *Executive Orders 10787 and 10890*, are allocated to the Range Improvement appropriation. As provided in the *Taylor Grazing Act*, FLPMA, and PRIA, these funds are

available for the construction, purchase, and development of range improvements after they are appropriated by Congress. Appropriations are made from the receipts collected during the previous fiscal year.

Timber and Vegetative Material Sales -

- **Timber Receipts from the Oregon and California and Coos Bay Wagon Road Grant Lands** - In 2004, the BLM projects it will collect \$32 million in timber receipts from O&C and CBWR lands. This projection is based on historical data, anticipated changes in timber demand, and local timber market conditions. Over \$6 million is projected from salvage timber sales and the balance is coming from non-salvage timber sales. Court injunctions resulting from litigation reduced timber sales for most of 1999 and all of 2000. Consequently, the BLM collected less than average timber receipts in 2001 (\$16.8 million) and in 2002 (\$16.1 million). Receipts are projected to increase by 34 percent in 2003 to \$21.6 million. Contingent on the resolution of litigation, the BLM intends to offer 180 million board feet from O&C and public domain lands with funds from this account. Of the \$32 million projected for 2004, \$5 million is expected to be deposited into the Timber Sale Pipeline Restoration Fund and \$8 million into the Forest Ecosystem Health and Recovery Fund (see discussion below).

About 20 percent of payments made under the *P.L. 106-393, Secure Rural Schools and Community Self-Determination Act of 2000*, the annual payment to the eighteen O&C counties, is derived from receipts. The remainder of the payments is derived from the General Fund of the Treasury. The 20 percent portion comes any revenues, fees, penalties, or miscellaneous receipts (exclusive of deposits to any relevant trust fund, such as the Timber Sale Pipeline Restoration and Forest Ecosystem Health and Recovery Funds discussed below) received by the Federal government from activities by the BLM on O&C and CBWR lands, and to the extent of any shortfall, out of any funds in the Treasury not otherwise appropriated. *P.L. 106-393* provides that payments for 2001 through 2006 will be an amount equal to the average of the three highest payments made from 1986 to 1999, adjusted for inflation. The payment of \$109,680,000 for 2001 was made in November 2001. The payment for 2002 made in November 2002 was \$110,557,710.

- **Timber Receipts from the Public Domain Forest Lands** - In 2003 and 2004, the BLM will collect an \$2.7 million and \$2.6 million in timber receipts from public domain lands, the same as the 2002 collections (\$2.7 million). Over \$2 million is projected for collection from salvage timber sales in both 2003 and 2004, slightly more than the \$1.9 million collected in 2002. Ninety-six percent of salvage timber receipts will be deposited into the Forest Ecosystem Health and Recovery Fund, with the remaining four percent being returned to the States in which the sales took place. In 2004, the BLM expects to offer 32 MMBF of timber products from public domain lands.
- **Timber Sale Pipeline Restoration Fund** - This Fund was established to address, in part, the need to establish a supply of prepared and available timber, a "timber sale pipeline," in western Oregon. Receipts from the release of timber sales by *Section 2001(k), P.L. 104-*

134 provided the start-up funding; all receipts from subsequent sales prepared by this Fund are deposited back into the Fund for preparing future sales. In 2003, \$3.5 million from associated timber sales in western Oregon (discussed above) are expected to be deposited into this Fund.

- **Forest Ecosystem Health and Recovery Fund** - Forest health projects, including salvage timber sales, are prepared using the FEHRF, which was established in 1993 and amended in 1998 to fund forest health projects, including salvage timber sales, reforestation, and thinning of trees to improve stand density. All receipts, minus State shares, from projects prepared using these funds, as well as those from BLM salvage sales, are deposited into this Fund for future forest health projects. (Refer to the Permanent Operating Funds section for additional details on the FEHRF). In 2002, BLM collected \$5.3 million from salvage timber sales, of which \$5 million was deposited into the FEHRF. In 2003 and 2004, the BLM projects \$5.3 million and \$8.3 million will be generated by these projects from the sale of salvage timber and other forest products.

Recreation Use Fees - Recreation use fees are derived from collecting fees on public lands at recreation sites, issuing recreation use permits, and selling Federal recreation passports such as the Golden Eagle and Golden Age passes. These funds are used to improve recreation facility conditions and user services at recreation sites where the fees were generated. In 2002, recreation use fee collections were \$9,499,776. In 2003 and 2004, the BLM anticipates collecting the same amount in both years, \$9,500,000, under its recreation fee collection authorities.

- *The Omnibus Budget Reconciliation Act of 1993*, amended the *Land and Water Conservation Fund Act* and the BLM's authority to collect recreation use fees. Recreation fees collected by the BLM are deposited into a special Treasury account and made available through appropriation in the following fiscal year in the Management of Lands and Resources appropriation. A 1993 amendment allowed the BLM to retain and spend up to 15 percent of the recreation receipts collected during the current year to offset fee collection costs. The 1993 amendments also broadened the range of recreation sites at which fees could be collected and allowed the BLM to charge entrance fees for National Conservation Areas as well as to collect fees for Federal recreation passports, i.e., Golden Age and Golden Eagle.
- The *1996 Department of the Interior and Related Agencies Appropriations Act*, provided the BLM with additional authority to develop recreation fee demonstration programs. The goals of this program are to foster innovative, creative, and cost-effective methods of collecting recreation use fees, in consultation with recreation site users and local communities. The language in the 1996 appropriation bill has been amended every year since. That authority currently extends through 2004. The fees collected under this authority are to be directed back to the sites where fees were collected to enhance facility conditions and improve visitor services. In 2003, the BLM is operating 100 fee demonstration programs. The 2004 Budget proposed that the Recreation Fee Demonstration program be made permanent.

Mineral Leasing Naval Oil Shale Reserve - These receipts include revenue derived from the bonuses, rents, and royalties from mineral leasing under the *Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)* that were collected from the developed lands within the Naval Oil Shale Reserve Numbers 1 and 3 in Colorado since the enactment of the 1998 National Defense Authorization Act, P.L. 105-85. P.L. 107-345, enacted in December 2002, amended the 1998 National Defense Authorization Act, and makes these funds available for environmental restoration of the NOSR 3, which was transferred to the BLM management by the 1998 National Defense Authorization Act in 1998. P.L. 107-345 appropriates \$1.5 million in 2003 to perform studies to determine the best way to cleanup Naval Oil Shale Reserve Number 3. The act also appropriates the balance of the account to do the cleanup if the cost does not exceed the amount available.

Collections are expected to increase from \$1.3 million in 2002 to levels of \$3.9 and \$11.6 million in 2003 and 2004. The projected increase is based on a forecast of a significant increase in the development and production of oil and natural gas in NOSR 1 and NOSR 3.

National Petroleum Reserve-Alaska - The Minerals Management Service collects all monies from sales; MMS then transfers 100 percent of the collections to the BLM. The BLM distributes the money: 50 percent of collections go to the State of Alaska and 50 percent to the General Fund of the U.S. Treasury. Collections are projected to increase substantially in 2003 to \$64,000,000 because of a sale of oil and natural gas leases, and to \$5,200,000 from rental payments on leases.

Earnings on Investments- The *Southern Nevada Public Land Management Act of 1998*, the *Lincoln County Land Act of 2000*, and *Kuukpik Alaska Escrow Act* allow the investment of the funds held in accounts established by these acts in U.S. government securities. These receipts are invested in special non-marketable U.S. Treasury Securities, including bills, notes, bonds, and one-day certificates, which may be purchased and sold to meet operating needs and legislative requirements. Receipts are expected to increase because of increases in the unobligated balances of the accounts, primarily due to the proceeds of a sale in 2003 in southern Nevada.

Other Receipts, Service Charges, and Fees - The standard categories of other receipts collected by the BLM are from land rentals for authorized commercial, industrial, and residential purposes; annual rentals from rights-of-way permits (except those issued under the authority of the *Mineral Leasing Act*); and the following:

- **Service Charges, Deposits, and Forfeitures** - These receipts include revenue from providing special program services, e.g., rights-of-way application processing fees, wild horse and burro adoption fees, fees charged to timber sale purchasers when BLM performs work required by the contract, reimbursement to the government for damage to lands and resources, and photocopying fees. The collection and retention of these receipts are authorized through specific, existing legislation. Additional information on other collections is included in the Service Charges, Deposits and Forfeitures appropriation.

- **Contributions** -These consist of funds contributed to the BLM from non-Federal sources for projects or work authorized by the *Federal Land Policy and Management Act*, *Taylor Grazing Act*, *Sikes Act*, and other laws. Additional information on other collections is included in the Miscellaneous Trust Fund appropriation.
- **Mining Claim-Related Fees** - *The Department of the Interior and Related Agencies Appropriations Act for 1989 (43 U.S.C. 1474)* provided that fees established by the Secretary of the Interior for processing actions relating to the administration of the General Mining Laws shall be immediately available to BLM for Mining Law Administration program operations.

Additionally, the *Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)* provided that the annual \$100 per claim maintenance fee for unpatented mining claims and sites would continue through 1998. This authority was extended through 2003 in the *Department of the Interior and Related Agencies Appropriations Act, 2002*. The law allows a waiver from the fee for those claimants who hold 10 or fewer claims. The Act also established a \$25 per claim location fee for new claims, to be paid at the time of recordation. Funds derived from mining claim maintenance fees are available to the BLM for Mining Law Administration program operations. The BLM is seeking an extension of this fee collection authority, through 2008, through an Administrative Provision.

2002 PAYMENTS OF BLM RECEIPTS* TO STATES (\$000)

State	Mineral Leases and Permits	Grazing Receipts Outside Grazing Districts	Grazing Receipts Inside Grazing Districts	Sale of Public Land and Materials	Other ¹	Total
Alaska ²	1,173	0	0	20		1,193
Arizona	33	84	59	83		258
California	63	56	12	72		203
Colorado ³	111	31	69	47		258
Idaho	15	19	166	39		239
Montana	301	100	126	34	118	678
Nebraska	0	1	0	0		1
Nevada ⁴	75	11	249	13,739		14,075
New Mexico	360	151	215	54	7	786
N. Dakota	0	7	0	0		7
Oklahoma	0	0	0	0	0	0
Oregon	4	20	135	54	109,680	109,893
S. Dakota	0	74	0	1		76
Utah	32	0	129	26		188
Washington	0	23	0	1		24
Wyoming ⁵	330	321	151	50		852
Total	2,497	897	1,310	14,221	109,805	129,730

*The amounts reported include an appropriation of \$110,558,000 from the General Fund for P.L. 106-393 payments to Oregon counties even though the appropriation is not a collection from a non-Federal source so that the table shows the full amount of the payments.

¹Other payments include receipts paid under P.L. 106-393, Secure Rural Schools Self Determination Act. The timing of the payments for both Oregon & California and Coos Bay Wagon Road Grant lands was changed from "on or before September 30" to "as soon as practicable after the end of the fiscal year." Therefore, the payments for 2001 were actually paid in Fiscal Year 2002 and are included in this table. P.L. 106-393 provides that payments come first from BLM receipts produced in those counties, and then General Fund appropriations shall be used to cover any shortfall. The 2002 payment is made up from \$16 million in receipts and \$94 million from the General Fund. The amount includes \$7,720,339 in funds for Title II projects returned to BLM for county projects.

²Receipts for Alaska National Petroleum Reserve in 2002 of \$2.3 billion.

³Bankhead-Jones Act, Executive Order 10787, November 6, 1958, from grazing and sale of other resources.

⁴Payments to Clark County, NV, and to the State of NV from land sales under the Burton-Santini Act, paid in 2002 for 2001 were \$276,000. Payments under the Southern Nevada Public Land Management Act were \$9,395,936.

⁵Bankhead-Jones Act, Executive Order 10787, November 6, 1958, from grazing and sale of other resources.